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*“Lots of folks confuse **bad management** with destiny.”*

~Kin Hubbard

Is anyone really surprised by the latest foreclosure revelations that thousands of affidavits submitted to hundreds of courts in support of thousands of foreclosures were prepared with something less than careful attention to detail? Not to worry, though. As soon as the bank stock analysts started questioning the effect of this latest snafu on bank earnings we were told literally within hours, “It’s ok now. No real problem. Let the foreclosures resume.” I’m certain that somewhere, a foreclosure processing manager is well regarded by upper management because his or her “foreclosures processed per employee per month” metric is so high.

The vast majority of foreclosures are warranted. However, fifty state attorney generals are now investigating big banks and their foreclosure process. Many of the AG’s will ask why there are not more loan modifications, a politically popular question with a complicated answer. And to the extent that the investigations discover a callous and condescending approach to the rule of law, big banks will suffer. Foreclosure delays will increase costs. The increasing public perception of bank complicity in the problem won’t help things either.

These procedural errors will beget the inevitable onslaught of class action litigation. The plaintiff’s bar, with endless depositions and requests for production of documents will further increase the cost of foreclosures and lengthen the amount of time that it will take to work out of the foreclosure debacle. In the end these actions will probably extract small changes to the foreclosure process in the name of the consumer and big checks in the names of the attorneys.

There’s a bigger skeleton in the closet though. [The Wall Street Journal® recently reported](#) that the investors who bought all the securities containing bad mortgages are beginning to mobilize. The ultimate goal is to prove that the mortgages comprising the securities were not originated to the standards represented in the offering. That could result in those bad mortgages being put back to the banks who originated them. I’ve read some astoundingly high estimates of the big bank’s potential liability. Expect a long drawn out battle when this starts happening.

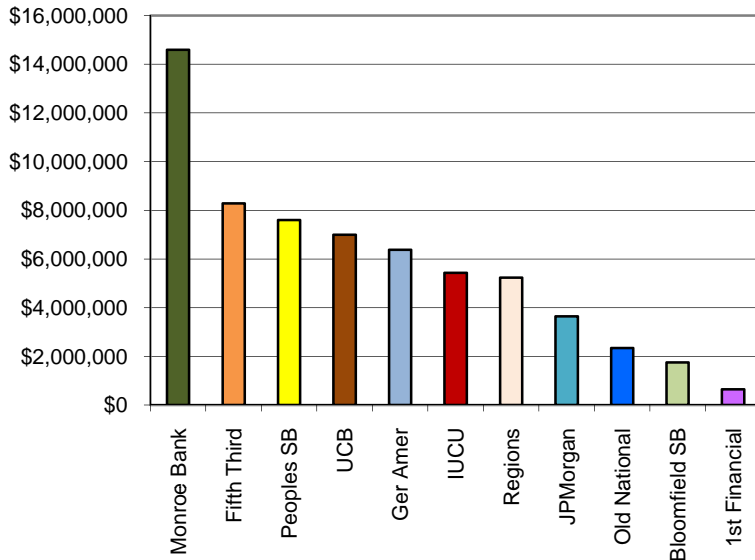
The sub-prime induced mess that we’re in started about three years ago. It is far from over. To the extent these recent developments retard the recovery of the housing sector of the economy, we all suffer.

~John Bethell



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Dollars - September 2010



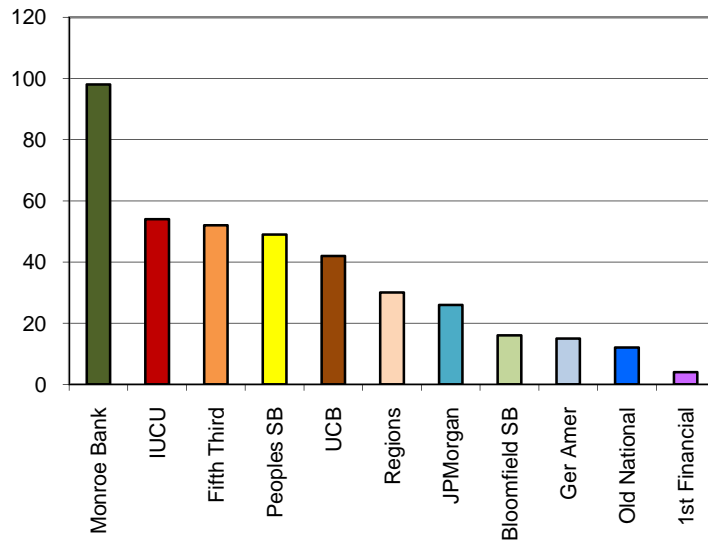
Residential and commercial property mortgages filed in Monroe County during September 2010.

Monroe Bank	14,592,646
Fifth Third	8,280,611
Peoples SB	7,599,769
UCB	6,991,482
Ger Amer	6,371,600
IUCU	5,429,751
Regions	5,230,489
JPMorgan	3,648,948
Old National	2,346,400
Bloomfield SB	1,752,826
1st Financial	653,885

Note- Charts & report do not include re-recordings, modifications, or those recorded without a property description. Fifth Third includes Fifth Third Bank & Fifth Third Mtg, Regions includes Regions Bank & Regions Mtg.

Transactions - September 2010

Monroe Bank	98
IUCU	54
Fifth Third	52
Peoples SB	49
UCB	42
Regions	30
JPMorgan	26
Bloomfield SB	16
Ger Amer	15
Old National	12
1st Financial	4



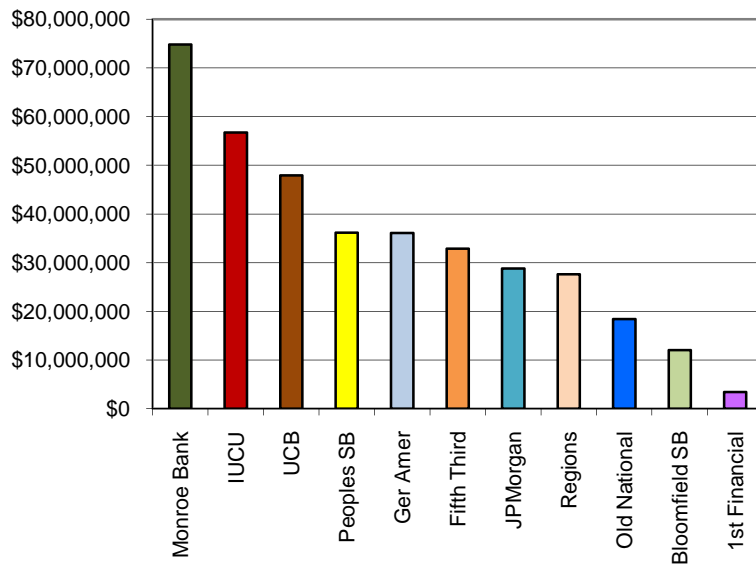
Mortgage Report covering all mortgages on Monre County property, both residential and commercial, filed with the Monroe County Recorder during the month of September 2010.

Lender	0 to \$49,999		\$50,000 to \$199,999		\$200,000-\$499,999		\$500,000 & up		Total Docs	%	Total Amount	%
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount				
ALLY BANK	0	0	4	642,400	0	0	0	0	4	0.7	642,400	0.7
BAXTER CREDIT UNION	0	0	1	127,998	2	478,850	0	0	3	0.5	606,848	0.7
BANK OF AMERICA	0	0	4	359,198	6	1,760,845	0	0	10	1.8	2,120,043	2.4
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	3	80,000	11	1,270,326	2	402,500	0	0	16	2.9	1,752,826	2
CRANE FEDERAL CREDIT U	3	102,900	2	186,500	0	0	0	0	5	0.9	289,400	0.3
CITIMORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0
FARM CREDIT SERVICES M	0	0	3	305,979	0	0	0	0	3	0.5	305,979	0.3
FIRST FINANCIAL BANK	0	0	2	170,000	2	483,885	0	0	4	0.7	653,885	0.7
FARMERS AND MECHANICS	0	0	0	0	0	0	0	0	0	0	0	0
FIFTH THIRD BANK	0	0	3	332,210	0	0	0	0	3	0.5	332,210	0.4
FIFTH THIRD MORTGAGE	2	76,350	36	4,478,051	11	3,394,000	0	0	49	9	7,948,401	8.9
GERMAN AMERICAN BANCOR	2	67,100	5	514,500	4	1,605,000	4	4,185,000	15	2.7	6,371,600	7.2
HOOSIER HILLS CREDIT U	0	0	2	223,000	0	0	1	2,000,000	3	0.5	2,223,000	2.5
INDIANA UNIVERSITY CRE	11	237,693	39	4,148,058	4	1,044,000	0	0	54	9.9	5,429,751	6.1
JPMORGAN CHASE BANK	2	70,000	19	2,240,634	5	1,338,314	0	0	26	4.8	3,648,948	4.1
KEYBANK	0	0	0	0	0	0	0	0	0	0	0	0
MONROE BANK	8	246,308	66	7,819,995	24	6,526,343	0	0	98	17.9	14,592,646	16.4
METLIFE HOME LOANS	0	0	8	960,475	0	0	0	0	8	1.5	960,475	1.1
MORTGAGE MASTERS	0	0	3	425,055	1	268,000	0	0	4	0.7	693,055	0.8
NATIONAL CITY MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0
OWEN COMMUNITY BANK	0	0	1	92,800	0	0	0	0	1	0.2	92,800	0.1
OWEN COUNTY STATE BANK	0	0	3	471,600	0	0	0	0	3	0.5	471,600	0.5
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	2	25,000	6	828,400	3	758,000	1	735,000	12	2.2	2,346,400	2.6
PROVIDENT FUNDING ASSO	0	0	0	0	1	325,000	0	0	1	0.2	325,000	0.4
PEOPLES STATE BANK	5	171,380	30	3,480,259	14	3,948,130	0	0	49	9	7,599,769	8.5
REGIONS BANK	0	0	4	441,200	0	0	0	0	4	0.7	441,200	0.5
REGIONS MORTGAGE	0	0	16	1,932,047	10	2,857,242	0	0	26	4.8	4,789,289	5.4
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0
SUPREME LENDING	0	0	0	0	0	0	0	0	0	0	0	0
UNITED COMMERCE BANK	5	104,000	24	2,903,209	13	3,984,273	0	0	42	7.7	6,991,482	7.8
UNITED STATES OF AMERI	0	0	0	0	0	0	0	0	0	0	0	0
UNION SAVINGS BANK	2	77,200	9	1,089,801	2	635,000	0	0	13	2.4	1,802,001	2
WELLS FARGO BANK	0	0	9	1,160,532	2	491,500	0	0	11	2	1,652,032	1.9
All Others	12	250,311	37	4,216,589	28	7,683,094	3	1,861,500	80	14.6	14,011,494	15.7
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TOTALS	57	1,508,242	347	40,820,816	134	37,983,976	9	8,781,500	547	100	89,094,534	100



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Dollars - Year-to-Date through September 2010



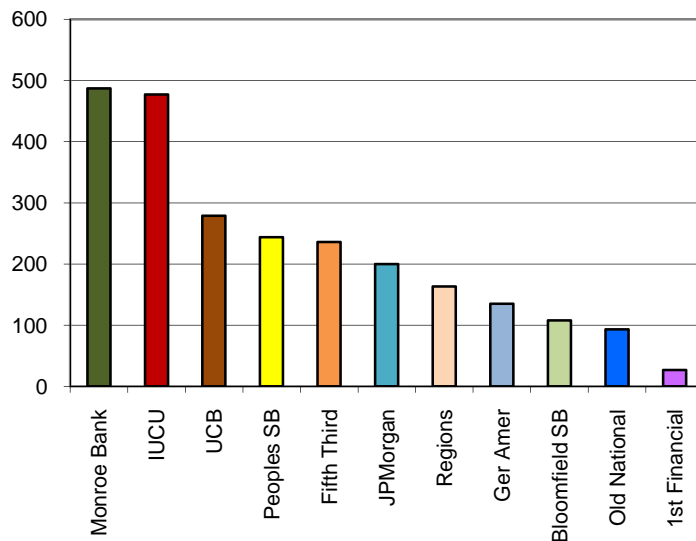
Residential and commercial property mortgages filed in Monroe County during 2010.

Monroe Bank	74,779,836
IUCU	56,746,886
UCB	47,937,519
Peoples SB	36,179,446
Ger Amer	36,096,321
Fifth Third	32,898,540
JPMorgan	28,792,596
Regions	27,622,480
Old National	18,443,354
Bloomfield SB	12,043,615
1st Financial	3,414,921

Note- Charts and report do not include re-recordings, modifications, or those recorded without a legal description. Fifth Third includes Fifth Third Bank & Fifth Third Mtg, Regions includes Regions Bank & Regions Mtg.

Transactions - Year-to-Date through September 2010

Monroe Bank	487
IUCU	477
UCB	279
Peoples SB	244
Fifth Third	236
JPMorgan	200
Regions	163
Ger Amer	135
Bloomfield SB	108
Old National	93
1st Financial	27



Mortgage Report covering all mortgages on Monroe County property, both residential and commercial, filed with the Monroe County Recorder during 2010.

Lender	0 to \$49,999		\$50,000 to \$199,999		\$200,000-\$499,999		\$500,000 & up		Total Docs	%	Total Amount	%
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount				
ALLY BANK	0	0	14	1,981,387	7	1,808,402	1	535,000	22	0.6	4,324,789	0.7
BAXTER CREDIT UNION	4	149,740	10	1,128,148	9	2,298,925	0	0	23	0.6	3,576,813	0.6
BANK OF AMERICA	0	0	48	6,258,381	21	5,753,952	2	1,610,000	71	2	13,622,333	2.1
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	26	681,230	68	7,215,285	12	2,853,100	2	1,294,000	108	3.1	12,043,615	1.9
CRANE FEDERAL CREDIT U	10	239,035	19	2,110,261	0	0	0	0	29	0.8	2,349,296	0.4
CITIMORTGAGE	1	26,800	5	480,331	3	815,000	0	0	9	0.3	1,322,131	0.2
FARM CREDIT SERVICES M	1	40,460	7	844,979	7	2,496,917	0	0	15	0.4	3,382,356	0.5
FIRST FINANCIAL BANK	6	169,421	15	1,774,615	6	1,470,885	0	0	27	0.8	3,414,921	0.5
FARMERS AND MECHANICS	0	0	15	1,574,500	1	204,000	0	0	16	0.5	1,778,500	0.3
FIFTH THIRD BANK	10	251,787	21	2,090,651	0	0	2	1,000,000	33	0.9	3,342,438	0.5
FIFTH THIRD MORTGAGE	6	258,585	164	19,964,558	33	9,332,959	0	0	203	5.7	29,556,102	4.6
GERMAN AMERICAN BANCOR	14	454,900	58	6,851,091	49	15,347,636	14	13,442,694	135	3.8	36,096,321	5.7
HOOSIER HILLS CREDIT U	4	95,400	5	463,200	1	317,000	1	2,000,000	11	0.3	2,875,600	0.5
INDIANA UNIVERSITY CRE	128	3,320,309	273	30,993,687	73	20,232,890	3	2,200,000	477	13.5	56,746,886	8.9
JPMORGAN CHASE BANK	5	158,878	156	17,818,330	38	9,815,388	1	1,000,000	200	5.7	28,792,596	4.5
KEYBANK	0	0	2	240,357	2	548,870	0	0	4	0.1	789,227	0.1
MONROE BANK	60	1,639,558	326	39,196,989	93	25,981,178	8	7,962,111	487	13.8	74,779,836	11.8
METLIFE HOME LOANS	0	0	36	4,320,198	6	1,726,285	0	0	42	1.2	6,046,483	1
MORTGAGE MASTERS	0	0	24	2,760,305	2	589,900	0	0	26	0.7	3,350,205	0.5
NATIONAL CITY MORTGAGE	0	0	1	100,000	0	0	0	0	1	0	100,000	0
OWEN COMMUNITY BANK	0	0	8	831,500	0	0	0	0	8	0.2	831,500	0.1
OWEN COUNTY STATE BANK	2	58,016	12	1,879,043	1	255,500	0	0	15	0.4	2,192,559	0.3
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	16	316,433	53	5,825,545	19	5,807,831	5	6,493,545	93	2.6	18,443,354	2.9
PROVIDENT FUNDING ASSO	0	0	16	2,072,400	10	3,139,800	0	0	26	0.7	5,212,200	0.8
PEOPLES STATE BANK	41	1,195,559	148	17,383,881	53	15,062,747	2	2,537,259	244	6.9	36,179,446	5.7
REGIONS BANK	5	105,000	16	1,461,349	1	250,000	0	0	22	0.6	1,816,349	0.3
REGIONS MORTGAGE	3	132,000	98	12,462,336	36	10,453,795	4	2,758,000	141	4	25,806,131	4.1
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0
SUPREME LENDING	0	0	19	2,206,767	4	920,224	0	0	23	0.6	3,126,991	0.5
UNITED COMMERCE BANK	31	640,750	174	20,983,315	69	20,678,611	5	5,634,843	279	7.9	47,937,519	7.5
UNITED STATES OF AMERI	1	39,900	12	1,438,369	0	0	0	0	13	0.4	1,478,269	0.2
UNION SAVINGS BANK	2	77,200	50	5,912,747	8	2,349,100	0	0	60	1.7	8,339,047	1.3
WELLS FARGO BANK	6	177,219	80	10,044,074	18	4,683,764	1	550,500	105	3	15,455,557	2.4
All Others	69	1,226,888	362	44,244,761	119	33,505,758	21	101,897,608	571	16.1	180,875,015	28.4
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TOTALS	451	11,455,068	2315	274,913,340	701	198,700,417	72	150,915,560	3539	100	635,984,385	100



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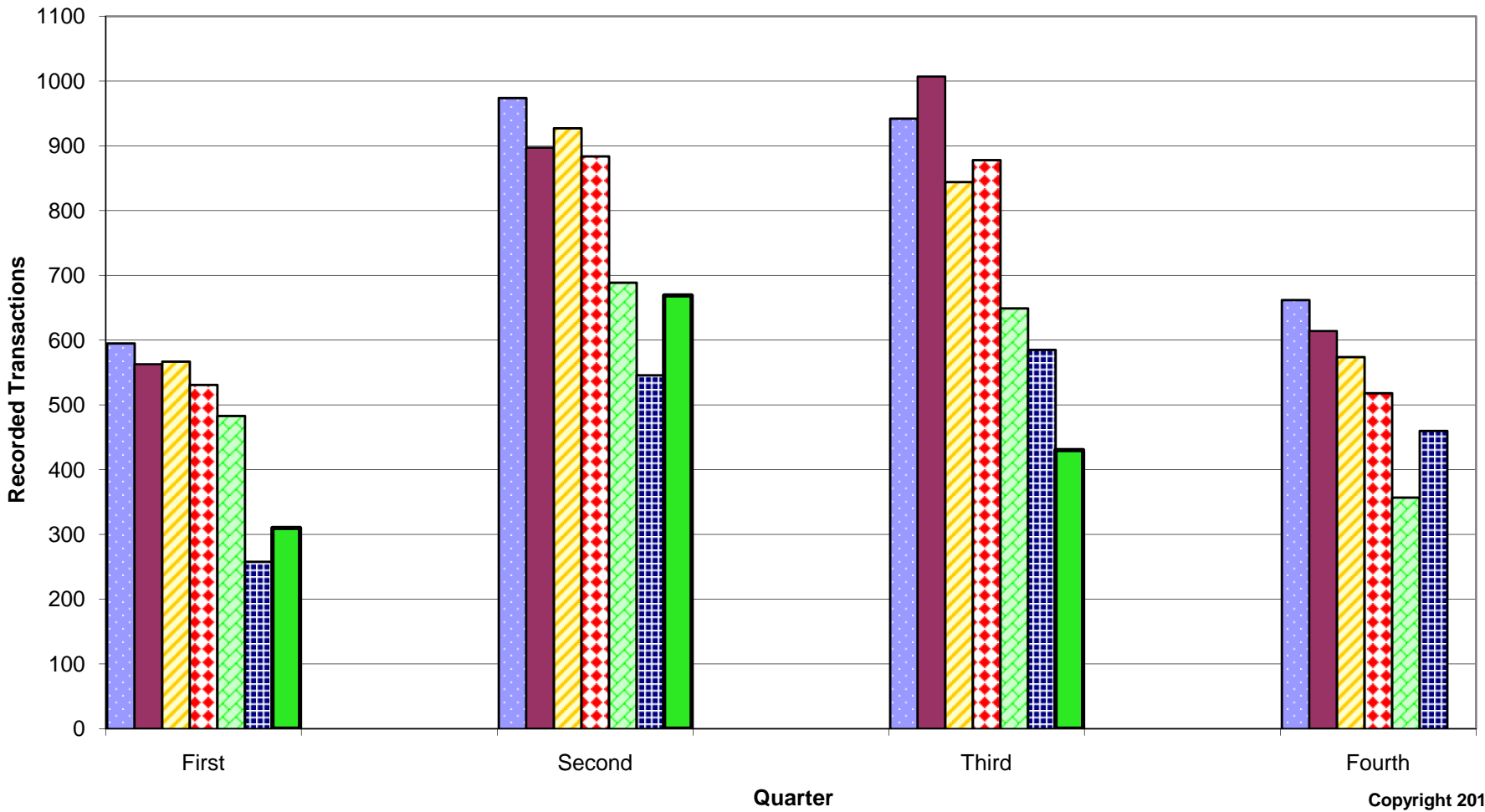
Mortgage Report covering all mortgages on Monroe County property, both residential and commercial, filed with the Monroe County Recorder during the month of September 2010.

Lender	0 to \$75,000		\$75,001 to \$199,999		\$200,000-\$417,000		\$417,001 & up		Total Docs	%	Total Amount	%	
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount					
ALLY BANK	0	0	4	642,400	0	0	0	0	0	4	0.7	642,400	0.7
BAXTER CREDIT UNION	0	0	1	127,998	2	478,850	0	0	0	3	0.5	606,848	0.7
BANK OF AMERICA	1	52,000	3	307,198	6	1,760,845	0	0	0	10	1.8	2,120,043	2.4
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	5	205,000	9	1,145,326	2	402,500	0	0	0	16	2.9	1,752,826	2
CRANE FEDERAL CREDIT U	4	159,400	1	130,000	0	0	0	0	0	5	0.9	289,400	0.3
CITIMORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	0
FARM CREDIT SERVICES M	1	60,000	2	245,979	0	0	0	0	0	3	0.5	305,979	0.3
FIRST FINANCIAL BANK	1	50,000	1	120,000	2	483,885	0	0	0	4	0.7	653,885	0.7
FARMERS AND MECHANICS	0	0	0	0	0	0	0	0	0	0	0	0	0
FIFTH THIRD BANK	0	0	3	332,210	0	0	0	0	0	3	0.5	332,210	0.4
FIFTH THIRD MORTGAGE	3	131,150	35	4,423,251	11	3,394,000	0	0	0	49	9	7,948,401	8.9
GERMAN AMERICAN BANCOR	4	189,600	3	392,000	4	1,605,000	4	4,185,000	15	2.7	6,371,600	7.2	
HOOSIER HILLS CREDIT U	1	68,000	1	155,000	0	0	1	2,000,000	3	0.5	2,223,000	2.5	
INDIANA UNIVERSITY CRE	19	692,793	31	3,692,958	4	1,044,000	0	0	0	54	9.9	5,429,751	6.1
JPMORGAN CHASE BANK	4	190,138	17	2,120,496	5	1,338,314	0	0	0	26	4.8	3,648,948	4.1
KEYBANK	0	0	0	0	0	0	0	0	0	0	0	0	0
MONROE BANK	19	939,499	55	7,126,804	24	6,526,343	0	0	0	98	17.9	14,592,646	16.4
METLIFE HOME LOANS	0	0	8	960,475	0	0	0	0	0	8	1.5	960,475	1.1
MORTGAGE MASTERS	0	0	3	425,055	1	268,000	0	0	0	4	0.7	693,055	0.8
NATIONAL CITY MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	0
OWEN COMMUNITY BANK	0	0	1	92,800	0	0	0	0	0	1	0.2	92,800	0.1
OWEN COUNTY STATE BANK	0	0	3	471,600	0	0	0	0	0	3	0.5	471,600	0.5
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	2	25,000	6	828,400	3	758,000	1	735,000	12	2.2	2,346,400	2.6	
PROVIDENT FUNDING ASSO	0	0	0	0	1	325,000	0	0	1	0.2	325,000	0.4	
PEOPLES STATE BANK	10	500,380	25	3,151,259	14	3,948,130	0	0	0	49	9	7,599,769	8.5
REGIONS BANK	2	130,000	2	311,200	0	0	0	0	0	4	0.7	441,200	0.5
REGIONS MORTGAGE	3	196,625	13	1,735,422	10	2,857,242	0	0	0	26	4.8	4,789,289	5.4
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0	0
SUPREME LENDING	0	0	0	0	0	0	0	0	0	0	0	0	0
UNITED COMMERCE BANK	9	369,509	20	2,637,700	12	3,533,400	1	450,873	42	7.7	6,991,482	7.8	
UNITED STATES OF AMERI	0	0	0	0	0	0	0	0	0	0	0	0	0
UNION SAVINGS BANK	3	144,384	8	1,022,617	2	635,000	0	0	0	13	2.4	1,802,001	2
WELLS FARGO BANK	1	62,400	8	1,098,132	2	491,500	0	0	0	11	2	1,652,032	1.9
All Others	16	520,018	33	3,946,882	28	7,683,094	3	1,861,500	80	14.6	14,011,494	15.7	
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTALS	108	4,685,896	296	37,643,162	133	37,533,103	10	9,232,373	547	100	89,094,534	100	

Mortgage Report covering all mortgages on Monre County property, both residential and commercial, filed with the Monroe County Recorder during 2010.

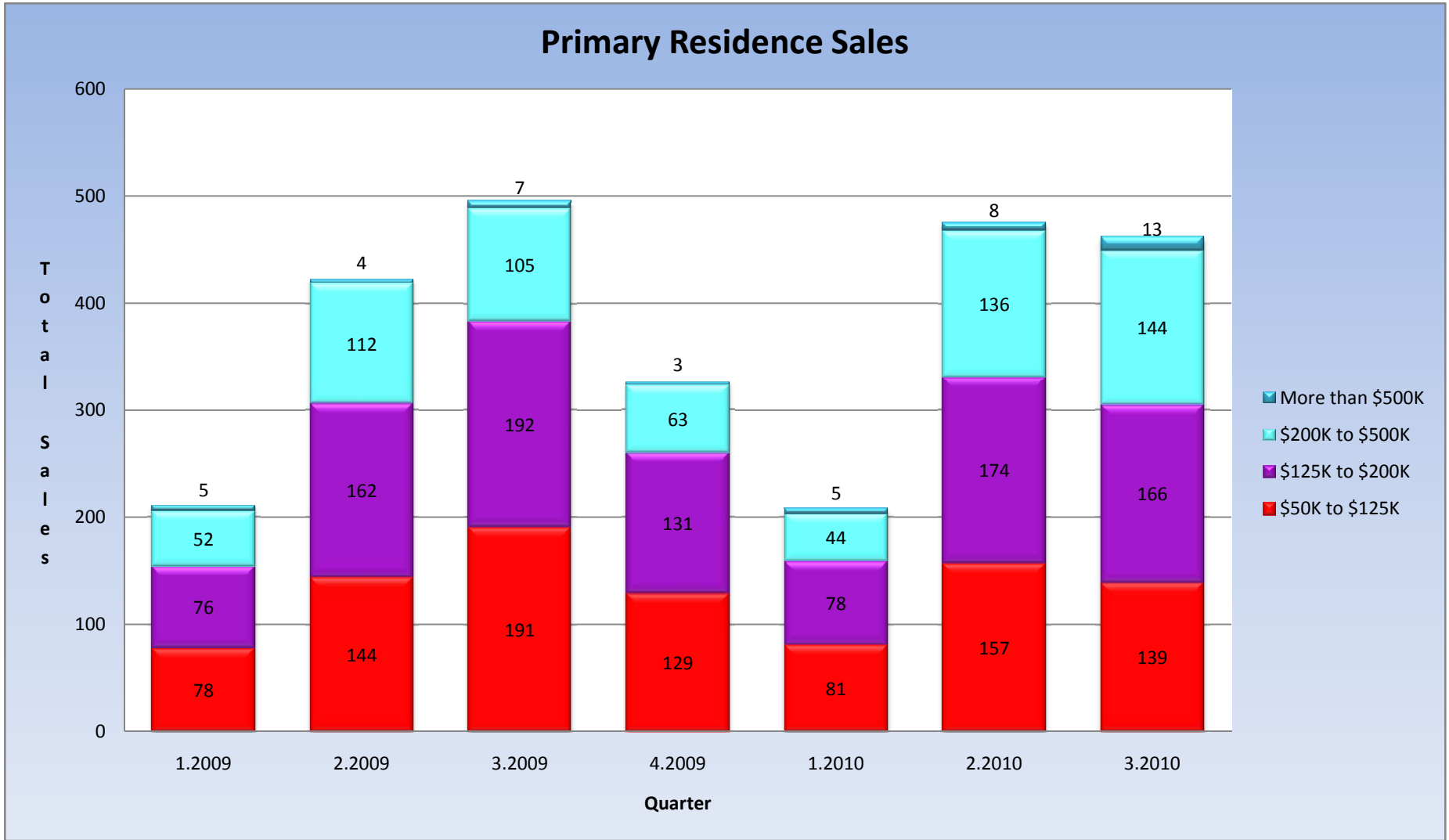
Lender	0 to \$75,000		\$75,001 to \$199,999		\$200,000-\$417,000		\$417,001 & up		Total	%	Total	%
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount	Docs		Amount	
ALLY BANK	0	0	14	1,981,387	7	1,808,402	1	535,000	22	0.6	4,324,789	0.7
BAXTER CREDIT UNION	5	199,740	9	1,078,148	9	2,298,925	0	0	23	0.6	3,576,813	0.6
BANK OF AMERICA	2	111,650	46	6,146,731	20	5,303,952	3	2,060,000	71	2	13,622,333	2.1
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	39	1,532,370	55	6,364,145	12	2,853,100	2	1,294,000	108	3.1	12,043,615	1.9
CRANE FEDERAL CREDIT U	13	421,335	16	1,927,961	0	0	0	0	29	0.8	2,349,296	0.4
CITIMORTGAGE	3	142,320	3	364,811	3	815,000	0	0	9	0.3	1,322,131	0.2
FARM CREDIT SERVICES M	3	172,460	5	712,979	4	1,174,320	3	1,322,597	15	0.4	3,382,356	0.5
FIRST FINANCIAL BANK	7	219,421	14	1,724,615	6	1,470,885	0	0	27	0.8	3,414,921	0.5
FARMERS AND MECHANICS	3	192,000	12	1,382,500	1	204,000	0	0	16	0.5	1,778,500	0.3
FIFTH THIRD BANK	17	698,787	14	1,643,651	0	0	2	1,000,000	33	0.9	3,342,438	0.5
FIFTH THIRD MORTGAGE	18	1,033,868	152	19,189,275	33	9,332,959	0	0	203	5.7	29,556,102	4.6
GERMAN AMERICAN BANCOR	24	1,083,340	48	6,222,651	47	14,428,042	16	14,362,288	135	3.8	36,096,321	5.7
HOOSIER HILLS CREDIT U	6	213,400	3	345,200	1	317,000	1	2,000,000	11	0.3	2,875,600	0.5
INDIANA UNIVERSITY CRE	179	6,493,939	222	27,820,057	73	20,232,890	3	2,200,000	477	13.5	56,746,886	8.9
JPMORGAN CHASE BANK	26	1,435,494	135	16,541,714	38	9,815,388	1	1,000,000	200	5.7	28,792,596	4.5
KEYBANK	1	68,400	1	171,957	2	548,870	0	0	4	0.1	789,227	0.1
MONROE BANK	115	4,990,435	271	35,846,112	93	25,981,178	8	7,962,111	487	13.8	74,779,836	11.8
METLIFE HOME LOANS	1	63,745	35	4,256,453	6	1,726,285	0	0	42	1.2	6,046,483	1
MORTGAGE MASTERS	1	60,000	23	2,700,305	2	589,900	0	0	26	0.7	3,350,205	0.5
NATIONAL CITY MORTGAGE	0	0	1	100,000	0	0	0	0	1	0	100,000	0
OWEN COMMUNITY BANK	1	74,000	7	757,500	0	0	0	0	8	0.2	831,500	0.1
OWEN COUNTY STATE BANK	3	118,016	11	1,819,043	1	255,500	0	0	15	0.4	2,192,559	0.3
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	31	1,226,145	38	4,915,833	17	4,921,075	7	7,380,301	93	2.6	18,443,354	2.9
PROVIDENT FUNDING ASSO	1	62,000	15	2,010,400	10	3,139,800	0	0	26	0.7	5,212,200	0.8
PEOPLES STATE BANK	69	2,953,952	120	15,625,488	52	14,575,247	3	3,024,759	244	6.9	36,179,446	5.7
REGIONS BANK	13	542,149	8	1,024,200	1	250,000	0	0	22	0.6	1,816,349	0.3
REGIONS MORTGAGE	9	531,625	92	12,062,711	36	10,453,795	4	2,758,000	141	4	25,806,131	4.1
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0
SUPREME LENDING	2	138,900	17	2,067,867	4	920,224	0	0	23	0.6	3,126,991	0.5
UNITED COMMERCE BANK	58	2,429,039	147	19,195,026	65	18,892,488	9	7,420,966	279	7.9	47,937,519	7.5
UNITED STATES OF AMERI	2	106,483	11	1,371,786	0	0	0	0	13	0.4	1,478,269	0.2
UNION SAVINGS BANK	10	572,694	42	5,417,253	8	2,349,100	0	0	60	1.7	8,339,047	1.3
WELLS FARGO BANK	12	573,834	74	9,647,459	18	4,683,764	1	550,500	105	3	15,455,557	2.4
All Others	107	3,724,922	324	41,746,727	118	33,017,258	22	102,386,108	571	16.1	180,875,015	28.4
TOTALS	781	32,186,463	1985	254,181,945	687	192,359,347	86	157,256,630	3539	100	635,984,385	100

Recorded Sale Transactions - Monroe County Since 2004



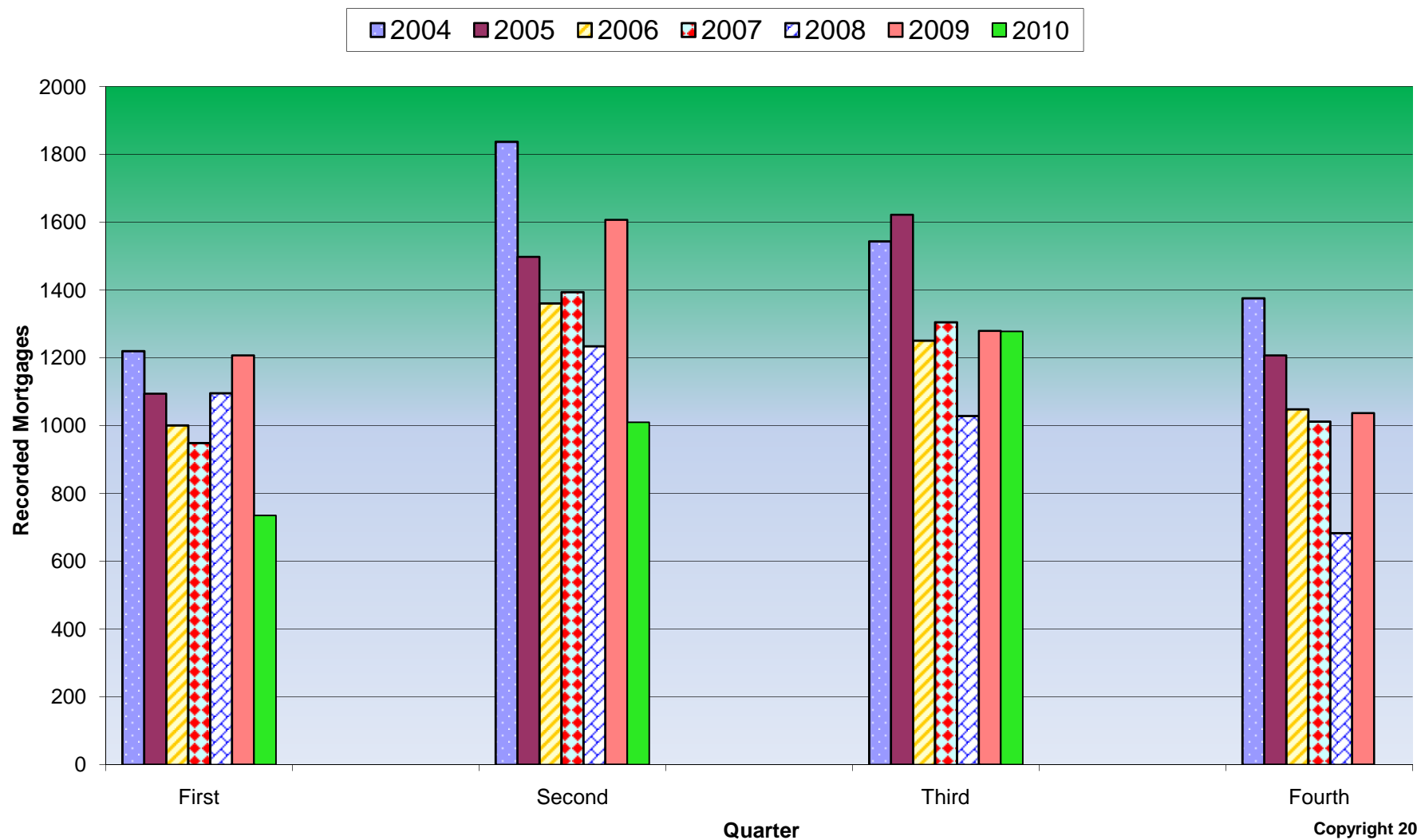
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John Bethell Title Company, Inc.
329 South Walnut St.
Bloomington, IN 47401
812-339-8434
www.johnbtitle.com

** Does not include Quit-Claim Deeds, Sheriff's Deeds, or deeds judged not to represent a sale.

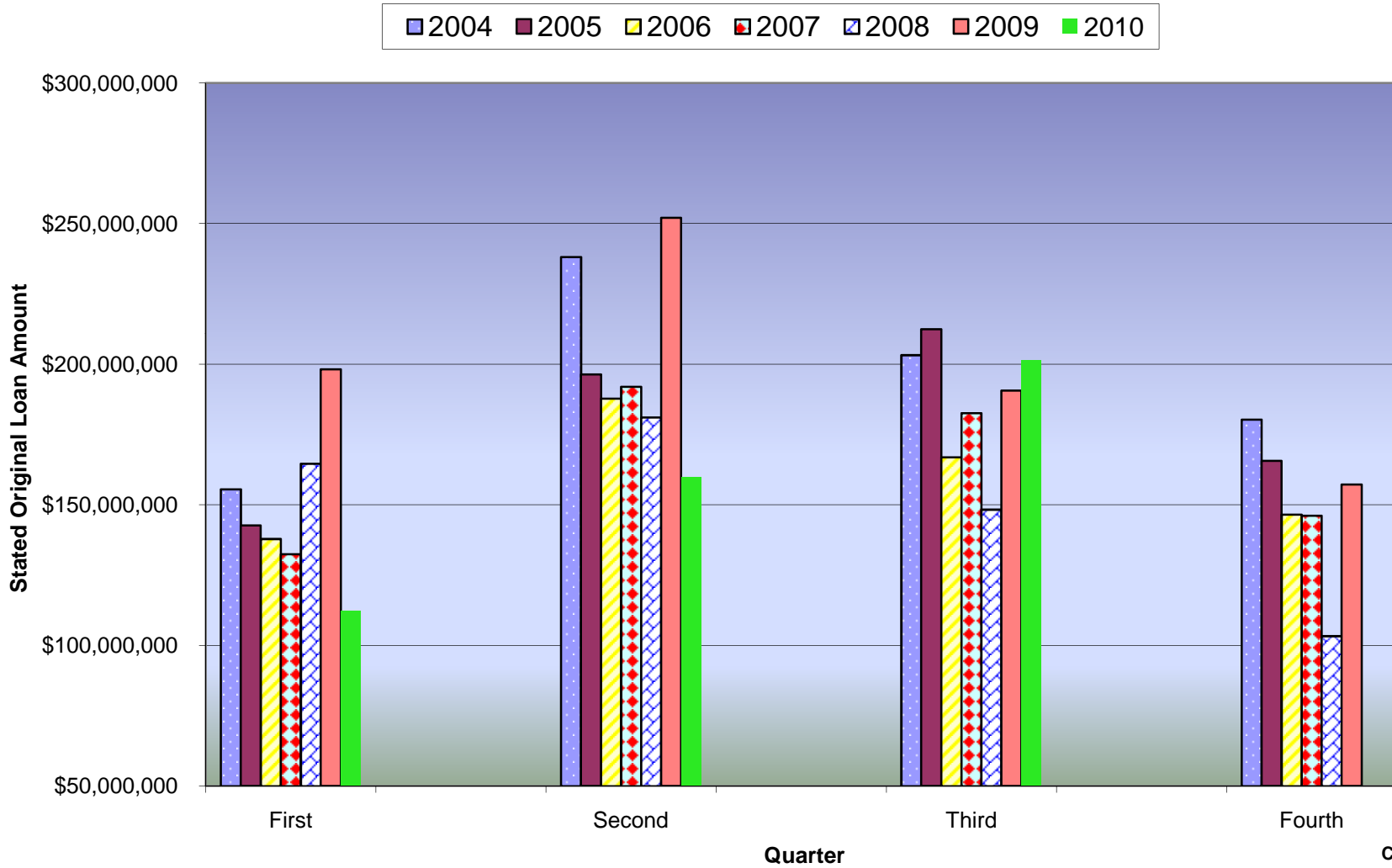


From Indiana DLGF sales disclosure data.

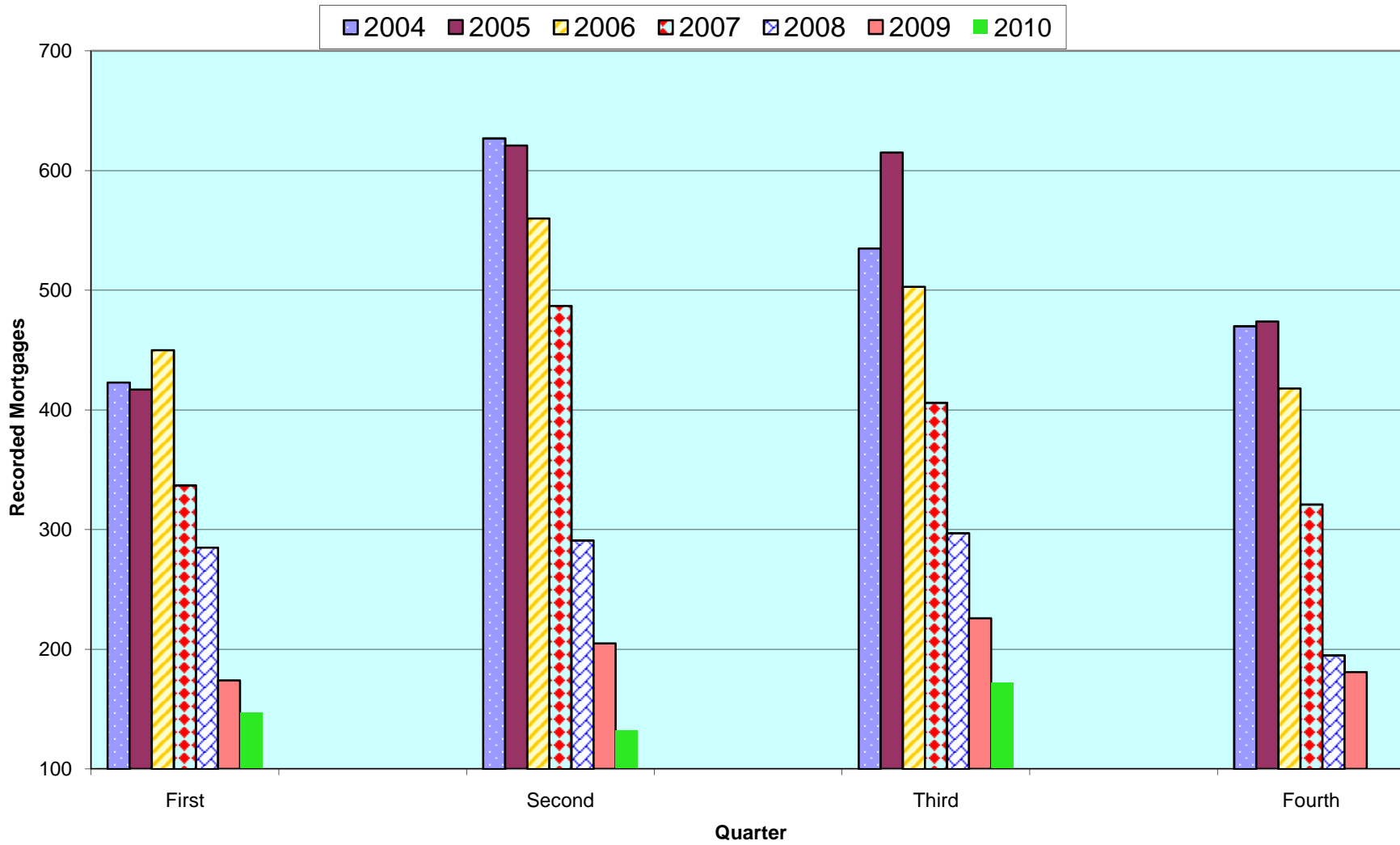
Recorded Mortgages 2004 - 2010 by Quarter Between \$50K and \$500K



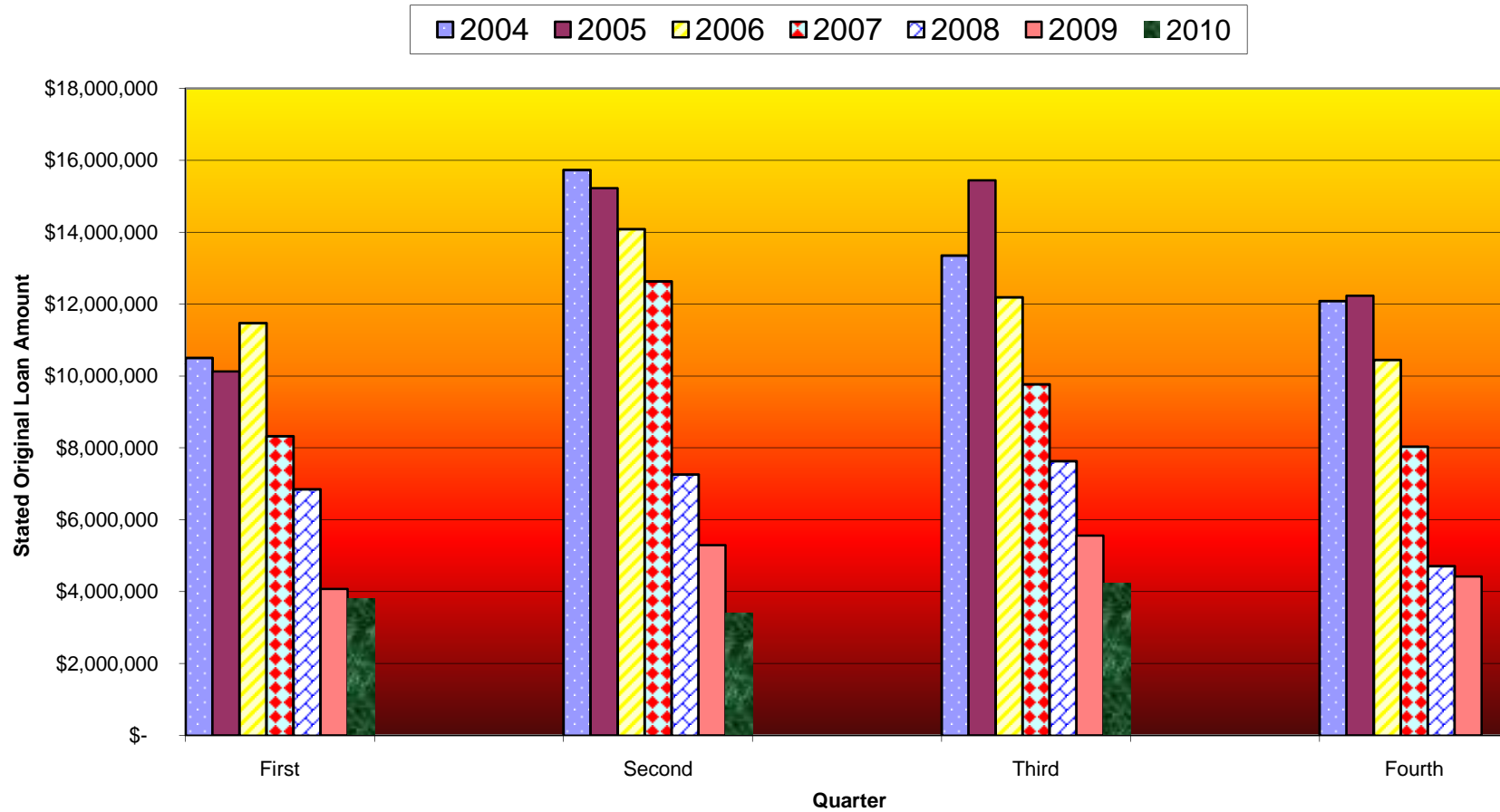
Mortgage Loan Dollar Volume 2004 - 2010 by Quarter \$50K to \$500K



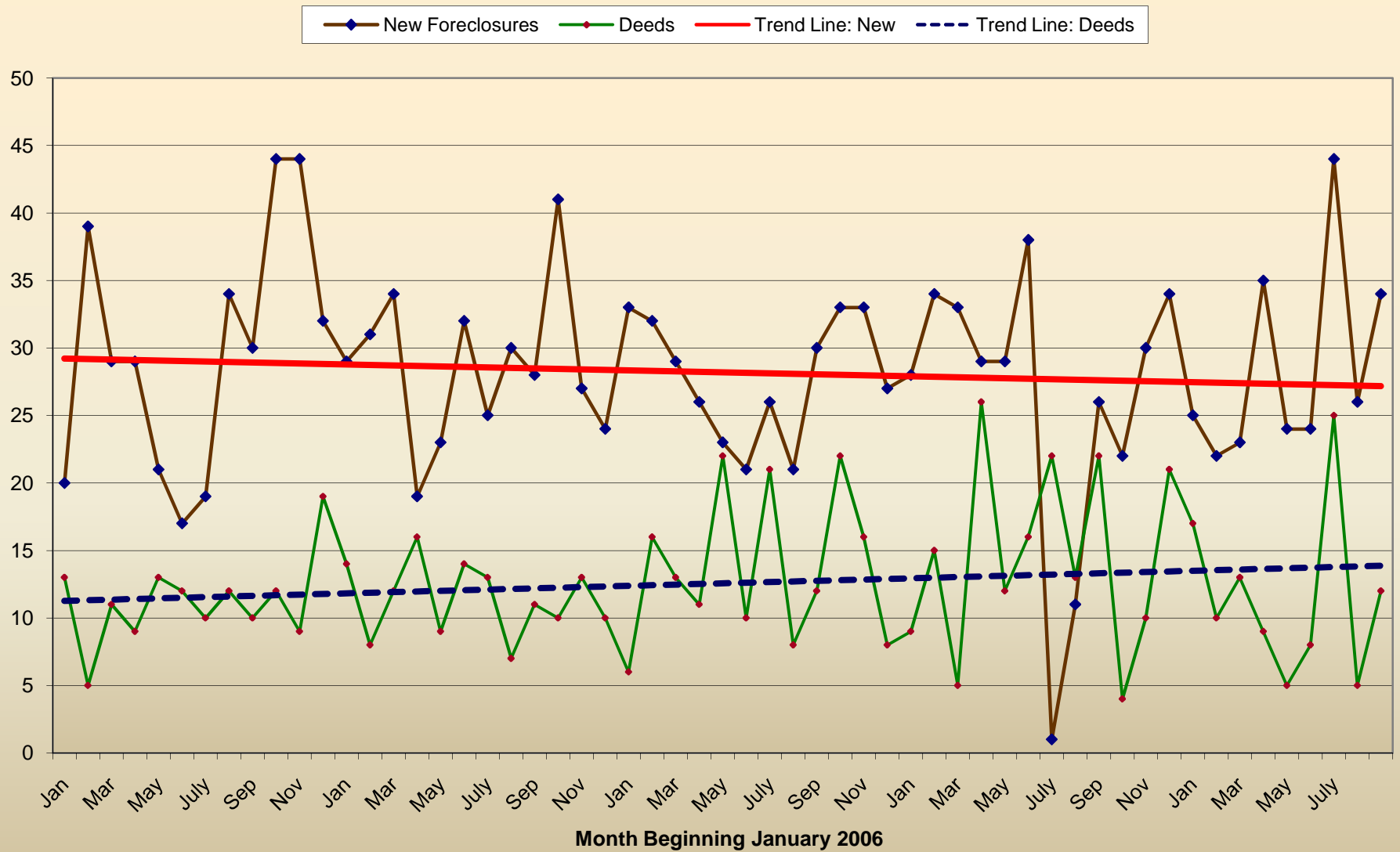
**Recorded Mortgages 2004 - 2010 by Quarter
Under \$50K**



Mortgage Loan Dollar Volume 2004 - 2010 by Quarter Under \$50K



New Foreclosures & Sheriff's Deeds By Month 2006 - 2010



New Foreclosures Started Monroe County - 2006 to 2010

